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INFORMATION: DEPARTMENT OF STATE, PALERMO, TRIPOLI
FROM: Amembassy ROME
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RS/AN
ANALYSIS BRANCH
FROM:

DATE: March 19, 1973

SUBJECT: Italian Court Rules Against British Petroleum in
Dispute over Oil Nationalized by Libya
REF: Rome 54, January 5, 1972

The Italian press reports that British Petroleum's year old court case against the Libyan National Oil Company (LNOG) and Sincat-Montedison refinery at Priolo in Sicily resulting from Libyan nationalization of BP's Sarir concession in that country in December 1971 has been settled in favor of the Libyans.

BP initiated court action against LNOG as well as the Italian refinery January 1, 1972 following the unloading of a 37 thousand shipment of oil for refining at Priolo several weeks after Libya's nationalization of the Sarir concession on December 13, 1971. BP maintained that the oil in question belonged to it.

The Syracuse court, however, has ruled that the shipment rightfully belonged to LNOG, in that crude oil is the property of the producing country until the moment of its acquisition by the concessionary.

The tribunal has ordered BP to pay court and lawyer fees, amounting to about \$68,000, as well as to return three specimens of the oil it seized at the time the charges were made.

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FORM 10-64 DS-323

Drafting Date: 3/15/73

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